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Dear Chairman Nofs and Members of the Senate Energy and Technology Committee,

The Michigan Energy Innovation Business Council (Michigan EIBC) remains opposed to the S-3 substitutes for SB 437 and 438. While the S-3 versions contain some improvements over the previous version, the bills contain four primary flaws that make it necessary for Michigan EIBC to oppose. These include:

- The repeal of the Renewable Portfolio Standard. As Scott Viciano of Ventower Industries testified to you earlier this month, this symbolic vote will result in substantial negative attention for Michigan, and his company would likely lose business as a result. Michigan EIBC's preferred alternative would be to increase the RPS to at least 15%.
- The addition of a new, one-sided "grid usage charge" for homeowners and businesses that generate a portion of their own energy. The failure to consider the benefits of distributed generation will likely skew the results, and undermine the economics for potential customers.
- The failure to extend the Energy Optimization (EO) standard beyond 2018. Without such an extension, the delay in repealing the EO standard until 2021 is largely meaningless.
- The failure to provide meaningful market access to third party providers of renewable energy. The provision in current law that independent project developers have access to 50% of the market has generated substantial savings for consumers. Eliminating this provision will lead to increased costs.

In addition to these core objections, the failure to develop a truly meaningful green pricing program represents a missed opportunity for Michigan to lead in the growing area of voluntary renewable energy purchases.

Michigan EIBC appreciates the work that has gone into this process, and remains hopeful that with a small number of amendments this legislation can win broad support. But we are not there yet, and we urge Committee members not to report the legislation until these additional changes are included.

Sincerely,

Liesl Eichler Clark
Michigan EIBC President